



# **94x XML Developers' Meeting**

**June 6, 2003**

## 94xXML DEVELOPERS' MEETING BREAKOUT SESSION JUNE 6, 2003

### Opening

Pat Clarke welcomed participants to the breakout session and thanked them for their interest and support of the new Employment Tax e-file System (94x XML). She also asked them where they are in the 94x XML process. The following is a breakout of their status:

|                       |  |
|-----------------------|--|
| C&S Technologies      | Will be converting in the coming months                                    |
| ADP                   | Currently reviewing the XML requirements and will convert sometime in 2004 |
| ProBusiness           | Developing software in XML   |
| FLS, Inc.             | Early stages of development in XML   |
| Greatland             | In process of developing XML schema  |
| Lewis Software Assoc. | Testing software in XML  |
| Paychex               | Reviewing XML schemas  |
| Payroll People        | Will start developing software in XML during 3 <sup>rd</sup> Qtr, 2003     |
| PayCycle              | Developed software in XML and are sending production returns               |
| Intuit                | Developed software in XML and are sending production returns               |

### Status Update on the 94x XML Project

#### Update on Volume

Bob Bolard provided the latest status on volumes for the 94x XML Project. The following is a breakout of these volumes.

|                                   |       |
|-----------------------------------|-------|
| Total Number of Returns Processed | 1,040 |
| Forms 940 Processed               | 15    |
| Forms 941 Processed               | 1,025 |
| Schedule B Returns Processed      | 337   |

\*Since January, five software developers have passed Assurance Testing

\*Currently, there are two software developers in Assurance Testing

\*There are several software developers that plan to test in the next two quarters.

## **FSET Update**

- \*Mainstreamed into e-file project.
- \*Electronic Tax Administration (ETA) is working closely with TIGERS and FTA to bring states on board.

## **IRS/Developers' Discussion**

### **Feedback**

- \*Provide line by line mapping between return and the XML schemas.
- \*Use field types and lengths as a reference for mapping returns to schemas.
- \*Include footnotes/references - The terminology is difficult.
- \*Standardize both the federal and state schemas (NOTE: already being done).
- \*Map XML schemas to EDI and proprietary formats.

### **Customer Service and Development Support**

Pat asked the Software Developers the following questions:

- How often do they visit the 94x XML Developers Forum website?
- Do they feel that the information is helpful?
- What would they like to see different on the website?

Several Software Developers indicated that the 94x XML Developers Forum website was very useful. The e-mails coming from ETA were also very useful when announcing changes to the system, program, etc..

One developer expressed concern over the level of support provided by the help desk in Cincinnati. They were not always able to talk to someone knowledgeable about the 94x program. A follow-up item has been captured to look into this problem.

## **Technical Specifications Status Update**

Wanda Wallace provided changes on the Technical Specifications for 2004. **See Attachment 1.**

## **Assurance Testing**

Steve Krogen gave a brief explanation of the new testing procedures to help assist the software developers when they go through the testing process. He also explained the criteria for pass/fail and sited the web site where the most current procedures are located. **See Attachment 2.**

## **Production Concerns**

### **Capacity Management**

John Myett provided a brief overview on capacity management raised by several "bulk" filers as a concern. ETA is working closely with Management and Information Technology Services (MITS) with capacity testing.

### **Legacy Shutdown/Transition**

- \*Magnetic Tape Programs – Scheduled shutdown in February 2004
- \*E-file Shutdown - No specific dates for shutdown of current e-file system.
- \*Transition – SB/SE is working with ETA – looking at early 2004 for transitioning the 94x XML Program to SB/SE Operations.  
No specific date has been set.

### **XML Lessons Learned**

ETA shared some lessons learned based on conversations they had with software developers during the implementation of the new Employment Tax e-file System.

## **Application Process**

### **Interim Procedures for filing Forms 8633 and 9041**

Steve Krogen provided an overview of the latest procedures for completing the application process for Forms 8633 and 9041. They will be posted to the website (see the website address at the bottom of the cover page of Forms 8633 and 9041). **See Attachments 3 and 4.**

**NOTE: These updates were posted to the IRS website on 6/11/03 at  
The following address:**

**<http://www.irs.gov/taxpros/providers/article/0,,id=97758,00.html>**

## **IRS e-Pay API**

Larry Faulkner gave a presentation on the IRS e-pay API.

Customer Account Services (CAS) are trying to get taxpayers into the EFTPS process as easily as possible. One way is by allowing taxpayers to come in without enrollment for one payment. EFTPS also has state websites so that taxpayers can click and make payments to most states (they would still need to register but this gets them to the site).

There's an ongoing need to link software to EFTPS. Larry introduced Prescott Blach from Bank One/Anexsys to discuss a generic transactional interface that would be beneficial for this effort. They want to give software developers a payment interface. The guidelines will probably be published in October 2003. This interface will allow software developers to build into their software the ability to communicate with the EFTPS system. They envisioned it being publicly available. They will also open up the payment history functions and allow software developers to embed it in their software.

## **Follow-up Issues**

### **94x XML**

- In the IRS940.xsd Schema, the description for the element name, "Question B" will be changed to read: "Did you pay all state unemployment contributions by January 31<sup>st</sup> following the close of the tax year?" ETA will research the language regarding the January 31<sup>st</sup> date not always being the due date. (Project Office staff will make date generic).
- ETA will contact Cincinnati Submission Processing Center (CSPC) regarding the Help Desk Personnel providing assistance on Assurance Testing.

## **e-Pay API**

- Merge registration process for e-File and e-Pay (i.e., single PIN concept)
- Allow one payment without enrollment
- Enable interface for periodic payments unrelated to return filing
- A group was formed of interested developers to work with IRS to finalize requirement for the IPS

## **Closing Remarks**

Participants were asked if they were interested in having another meeting.

Responses were positive for holding another meeting in the Fall 2003 (late September/early October timeframe).

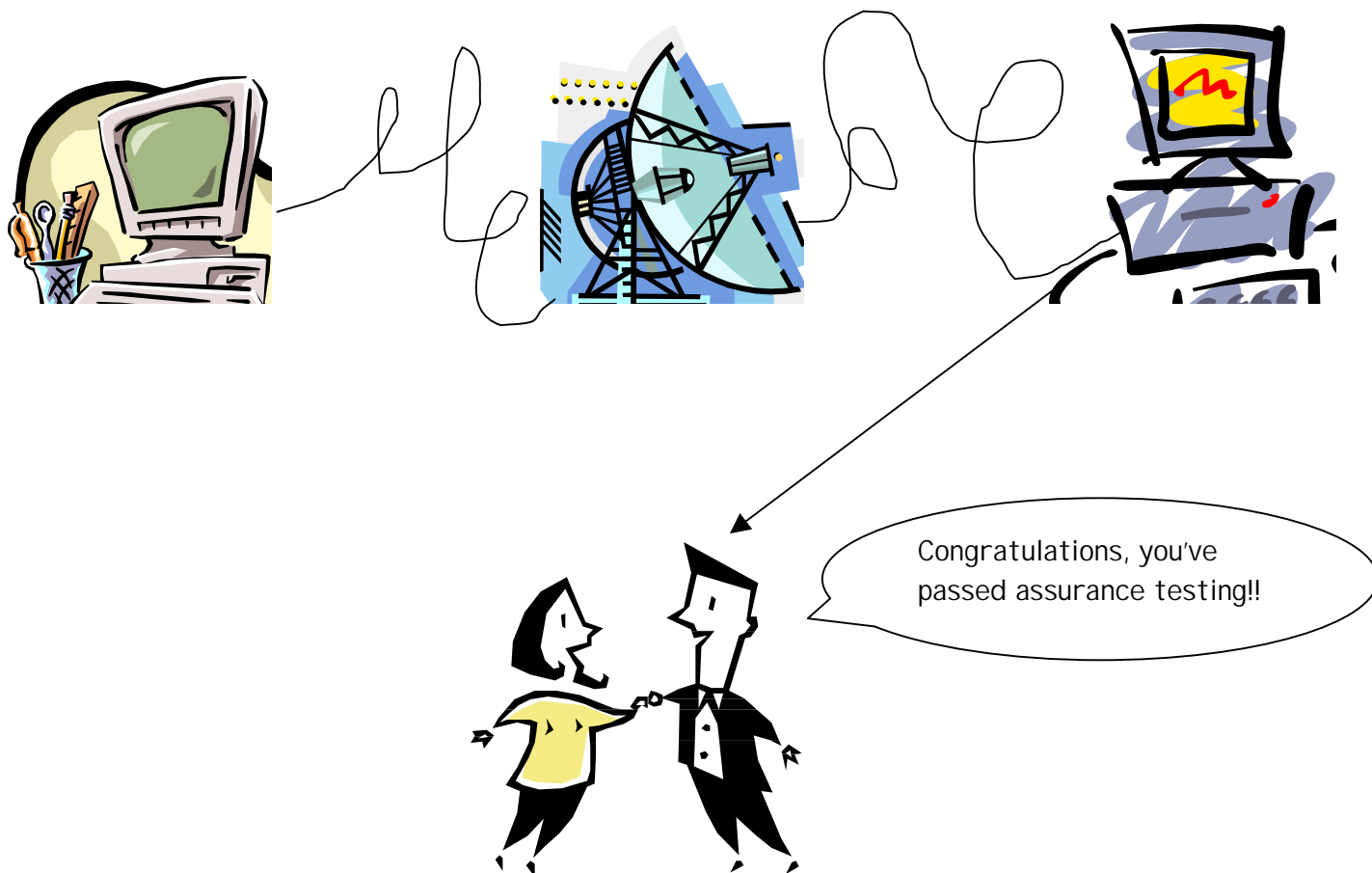
## **94x XML 2004 Pending Changes**

1. In the IRS940.xsd Schema, the description for the element name, “Question B” will be changed to read: “Did you pay all state unemployment contributions by January 31<sup>st</sup> following the close of the tax year?”
2. In the 940 and 941 Return Types a general dependency schema will be developed to record any supporting information that needs to be documented.
  - Similar to attaching a post-it note to the return.
3. The Mime Header, “X-eFileroutingCode” will be required in all XML transmissions and will include the values: “94X”, “PIN Registration”, and “MeF”. This ensures standardization with the 1120 XML structures and the MeF platform.
4. In the IRS.xsd schema, Part II lines 3e to 3h of Form 940 will be changed from mandatory to optional. In IRS 940PR.xsd schema, Part III Lines 3e to 3h of Form 940PR will also be changed from mandatory to optional.
5. The Acknowledgement File will change to include the following elements to ensure standardization with the 1120 XML structure
  - Add to the Acknowledgement in the ItemAckType the new data element, “ReturnType”. The enumerated values will be defined as follows: 940, 940PR, 941, 941PR, and 941SS.
  - For the TransmissionAckType the element ProcessType will be added. The enumerated values will be defined as follows: “T” or “P”.
6. In the Efile Types.xsd Schema for the “Third Party Designee Personal Identification No.” the alphanumeric characters will change from 9 to 5.



## Employment Tax e-file System

### 94x XML Assurance Testing Process for 2003





## **94x XML Assurance Testing Process**

Software Developers, Reporting Agents and Transmitters (herein referred to as Trading Partners (TP)) should utilize the 94x XML Developers' Forum website to view the most current information on the 94x XML project, to include the latest schemas, test scenarios, and Publication 3823 (Users Guide). The website is located at: <http://www.irs.gov/taxpros/providers/article/0,,id=97753,00.html>.

Assurance testing is two fold: for PIN registration and return filing. The test scenarios provided on the above website are optional for TPs to use. Along with the raw test data, there are also completed returns showing the correct tax computation for each test scenario. *NOTE:* TPs can use these scenarios or create their own, since passing assurance testing is not contingent on having correct tax computation data, but rather on having a transmission that generates a clean acknowledgement file with zero reject errors (see the 'Pass/Fail Criteria' below).

- 1) TPs must contact the Austin Help Desk (call 866-255-0654) and submit a 9041 application to obtain ETINs (electronic transmitter identification number). TPs can receive 2 ETINs, one for testing and one for live filing, along with test passwords and test PINs; this information is used for identification purposes in the Customer Data Base (CDB). This is done by submitting a new or updated Form 9041, application to e-file Business returns.
  - Reporting Agents are also required to send the following with their Form 9041 to Austin: A Reporting Agent's List containing the business names and EINs of the taxpayers for whom they will be filing returns and a Form 8655 for each taxpayer on the agent's list. Austin will forward the list and Forms 8655 to the Ogden Submission Processing Center.
  - TPs must also obtain an EFIN (electronic filer identification number) for live return filing by submitting a Form 8633 through the Andover Submission Processing Center, call 866-255-0654 and connect to Andover for instructions.
- 2) If the TP will be providing service to online filers, they must then transmit a PIN registration in the XML format to the Austin Help Desk. Once a successful transmission for a PIN registration is received, the Help Desk will change the TP's status to "permanent approval", which indicates their XML transmission was accepted without system problems. The Help Desk then issues a letter to the TP and provides them with a live password. The TP must return the signed "Statement of Receipt" to Austin. Austin will then change the TP's status to "activated". At this point, the TP can transmit other PIN registrations in the XML format on behalf of their business taxpayers. However, these TPs will still need to test return data by contacting the Cincinnati Help Desk (see steps below).
- 3) The TP will then conduct assurance testing using return data. They first conduct a pre-validation of the XML data in their test scenarios by using a parser, such as XML SPY, and run it against the most current XML schemas (currently Version 2.1). This will help to identify most validation errors prior to sending their transmission files to the IRS. A few validations that relate to confidential taxpayer data, such as EIN, ETIN, EFIN etc, can only be validated by the production system when sending in live returns and are not validated in the test environment.
- 4) TPs should then test each return type in the 940/941 family that they intend to file live once they pass assurance testing. For testing purposes, we are asking that TPs use the following dummy EIN numbers and submit those return types in their transmission file that are applicable. This will

allow for a more controlled verification and approval process for each return type with the IRS field office/Help Desk. The following are the test EIN numbers for each return type:

| <u>Return Type</u> | <u>EIN #</u> | <u>Return Type</u> | <u>EIN #</u> |
|--------------------|--------------|--------------------|--------------|
| 941                | 111111111    | 940                | 777777777    |
| 941 w/ Sched B     | 222222222    | 940 PR             | 888888888    |
| w/ 941 C           | 333333333    | w/Payment Record   | 999999999    |
| 941 PR             | 444444444    |                    |              |
| w/ 941 C PR        | 555555555    |                    |              |
| 941 SS             | 666666666    |                    |              |

- 5) The TP will call the IRS Help Desk e-file Tax Examiners (TEs) in Cincinnati to state that they are ready to test (call 866-255-0654). The Help Desk *e-file* TE will then ensure their status is reflected as “Testing” on the CDB.
- 6) The TP will then transmit their test return files through EMS at the Tennessee Computing Center (TCC) once they have corrected all of their errors from the pre-validation test. Test ETINS will be used, production ETINS are only used in transmitting live data.
- 7) Once the test return files have been processed through EMS and the 94x XML system, the IRS will create and send an XML acknowledgement file (ACK file) that the TPs will pick up when they login to the EMS system.
- 8) If all returns within the transmission are not accepted, then the TPs will make the changes noted in the ACK file to correct the errors. They will then re-run the new file through the schema and XML parser, and retransmit their corrected test return file to TCC. (Steps 5-7 will be repeated)
- 9) If all returns are accepted with zero reject errors and the TP can read their ACK file, then the Cincinnati Help Desk *e-file* examiner will advise the TP that their software is approved and can be marketed. Tax Examiners work with TPs to provide direction throughout the testing process.
- 10) The Cincinnati Help Desk *e-file* examiner will fax the Service Center Acceptance Form to Austin. Austin will update the status for the return type that they are testing from “Testing” to “Permanently Approved”. Once in Permanent Approval status, an acceptance letter is issued to the TP. The TP must return the signed “Statement of Receipt” to Austin. Austin will then update the filer to status of “Activated”.
- 11) If the TP wants to continue testing with their own test data, they may continue to test using their test ETIN.

Notes:

- If a TP does not use their test ETIN for one year, the CDB will automatically drop them. They must then contact the Help Desk for a new test ETIN if they wish to resume testing.
- A TP on the CDB will only reach approved permanent status once they have passed assurance testing. If the TP is a software developer and transmitter, they will have two ETIN numbers, one for testing their software and the other for transmitting live return data.

## **Pass/Fail Criteria**

### **FOR PIN REGISTRATION:**

1. Trading Partners (TP) must submit a new or updated Form 9041 to the Austin Help Desk. In section 2 of the application form, the TP must check the blank Form box and then write in “94x XML” for return type. On line 4d, the TP should also write in ‘XML’.
2. The TP must then successfully transmit a PIN registration in the XML format to the Austin Help Desk. \*

### **FOR RETURN PROCESSING:**

1. Successfully connect to the EMS system when initiating the transmission of a test file.
2. Successfully transmit the following employment tax return types: 941, 941 Schedule B, 941 PR, 941 C PR, 941 SS, 941 C, 940, 940 PR, Payment record, and PIN registration\*.
  - a. If the TP is not planning to submit/file certain return types in a production mode, they are exempt from testing them.
3. Successfully connect to the EMS system and retrieve their Acknowledgement file.
4. Once they have successfully completed the steps above, they will have passed assurance testing. After receiving their live password (and PIN if a Reporting Agent) and returning the signed “Statement of Receipt” to Austin, they will now be allowed to transmit live return data in a production mode.

\* Successfully is defined as not receiving any error rejects from any IRS processing system.



## **Employment Tax e-file System**

### **Form 8633, Application to Participate in the IRS *e-file* Program**

#### **Supplemental Instructions for 94x XML Applicants**

These instructions were based on communication exchanged between personnel from the IRS Suitability Policy Team, Electronic Tax Administration (ETA) and the Andover Submission Processing Center (SPC). Below is some helpful information for business trading partners in filling out the Form 8633 in questionable areas and where and how it should be submitted. Keep in mind, this 8633 form is currently under review by the IRS and it will be updated at a later time. In the interim, 94x XML trading partners will need to follow these instructions to obtain EFINs for 'origin level' identification. Transmitter information for trading partners is obtained when the Form 9041 is submitted to Austin to get ETINs for 'transmission level' identification.

### **Helpful Hints for filling out the Form:**

1. The trading partner should write "Business 94x XML" at the top of the application and write the specific role that they will be participating at the top of the application. The roles related to this application include the "On-Line Filer/Provider, Electronic Return Originator (ERO), Reporting Agent, Financial Agent, or Large Tax Payer.
2. For current/existing business trading partners, fingerprint cards/proof of professional status are not required with the application unless an individual of the firm listed on page 2 of the application is being added. If there are questions regarding your status, please contact the Andover SPC at the new number, (866) 255-0654.
3. If the applicant is not an existing business trading partner with the IRS, finger print cards are required per Publication 1345, Chapter 2, for all responsible officials, corporate officers, owners or partners unless the individuals, partners, owners, etc. are either Enrolled Agents (EA), Certified Public Accountants, Attorneys, Banking Officials or an officer of a publicly owned corporation. In those instances, proof of professional status must be submitted with the application. This would include a copy of the EA's enrollment card, the CPA's certificate/license, etc. The finger print card should state "ERO Certification" for the reason in the fingerprint box. The fingerprint cards can only be obtained from the Andover SPC.
4. Line 1d, please check the "no" box.
5. Line 3a, please check "Indirect" box.
6. Line 3b, any trading partner developing software (either to directly sell/market or strictly for business purposes), should check the "yes" box.
7. Line 3c, check the "yes" box, the emphasis is on *originate* as apposed to the submission of *income* tax.
8. Line 3d, check the "yes" box.
9. Line 3e, check the "no" box.
10. Line 3f, check all five submission-processing centers even though Memphis is the primary center.
11. Line 5, check the "yes" box.
12. Ensure the application contains the appropriate signatures in sections 8, 9 and 11.

**Submitting the Forms:**

- To expedite the process of obtaining an EFIN for transmitting live returns, the trading partners should fax their application to the Andover SPC at the following fax # (978) 474-1655. They should send the fax to the attention of Marion Sweeney.
- The trading partner must then follow up by sending the original forms with signatures and their fingerprint cards (if required) to the following Andover address:

Internal Revenue Service  
Andover Submission Processing Center  
Attention: Marion Sweeney  
Testing Stop 983  
310 Lowell Street  
Andover, MA 05501-0001

## **Form 9041, Application/Registration for Electronic/Magnetic Media Filing of Business Returns Instructions for 94x XML Applicants**

These instructions were based on communication exchanged between personnel from the IRS Electronic Tax Administration (ETA) and the Austin Submission Processing Center (AUSPC). Below is helpful information for business trading partners in filling out questionable areas on the Form 9041 and where and how the Form should be submitted. Keep in mind, this 9041 form is currently under review by the IRS and will be folded into the 8633 Application to Participate in the IRS e-file Program at some point in the future. In the interim, 94x XML trading partners will need to follow these instructions to obtain ETINs, Passwords and PINs (for Reporting Agents) for 'transmission level' identification and in the case of PINs, for signature identification.

### **Helpful Hints for filling out the Form:**

1. The trading partner should write "94x XML" and include the specific role(s) that they will be participating at the top of the application. The roles related to this application include the "Software Developer, Reporting Agent, Transmitter" or a combination of them. Reporting Agents will also need to:
  - Complete a Form 8633 application and send it to Andover to obtain an Electronic Filer Identification Number (EFIN); call (866) 255-0654 for more information.
  - Complete Form 8655 to obtain signature authorization from each client; call (866) 255-0654 for more information.
  - Send the completed Form 8655 and Agent List to Austin along with the completed Form 9041.
2. For line item 2, please check the blank "Form" box and write in "94x XML" as the form type.
3. For line item 4:
  - Questions "a" and "b", please answer accordingly.
  - Question "c", please check the "modem" box.
  - Question "d", under the "Both?" check box, please add a box called "XML" and check it.
4. For line 5, if you are acting strictly as a Reporting Agent and require a PIN/ETIN for signature purposes, please indicate what software company you intend to use for transmitting 94x XML returns to the IRS.

**Submitting the Forms:**

1. To expedite the processing of your application, please fax it to the AUSPC at the following fax # (512) 460-8962.
2. Please follow up by sending the original form with signatures to the following Austin address:

Internal Revenue Service  
Austin Submission Processing Center  
Attention: EFU, Stop 6380  
P.O. Box 1231  
Austin, TX 78767  
Phone: (866) 255-0654



# **Agenda**

## **94x XML Developers' Meeting**

### **June 6, 2003**

- Opening Remarks
- Status Update on the 94x XML Project
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  - FSET Update
- IRS/Developers' Discussion
  - Feedback
  - Customer Service
  - Development Support
- Technical Specifications Status Update
  - Pending Changes for 2004
- Assurance Testing
- Production Concerns
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  - Legacy Shutdown/Transition
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